



STATE OF ARIZONA

JANET NAPOLITANO
GOVERNOR

OFFICE OF THE GOVERNOR
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May 16, 2006

The Honorable Ken Bennett
President
Arizona State Senate
1700 West Washington Street
Senate Office Building
Phoenix, Arizona 85007

Re: Senate Bill 1151: tax credits; withholding tax reductions


Dear President Bennett:

Today I vetoed Senate Bill 1151, which would have encouraged employers, upon the request of an employee, to reduce the employee's Arizona income tax withholding by the amount of the tax credit claimed by the employee based on contributions to qualified charitable organizations, public schools, or private school tuition organizations. Under the bill, employers who agree to the withholding would be required to make the contribution to the relevant organization on behalf of the employee, and could be held liable for the failure to make the full payment on a timely basis.

This bill is unnecessary. Employees already have the option to adjust their withholding percentages for any reason. Pressuring employers to reduce withholding tax amounts for specific contributions poses undue burdens on employers and their payroll service companies. Payroll management already can be complicated, and this bill could require employers to devote even more time and attention to payroll administration, which would mean less time for running their businesses.

For these and other reasons, I have vetoed Senate Bill 1151.

Yours very truly,


Janet Napolitano
Governor

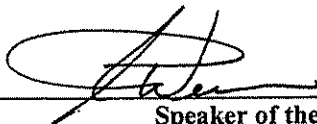
JN:TN/jm

cc: The Honorable Jim Weiers
The Honorable Dean Martin

Passed the House April 11, 20 06,

by the following vote: 36 Ayes,

20 Nays, 4 Not Voting



Speaker of the House

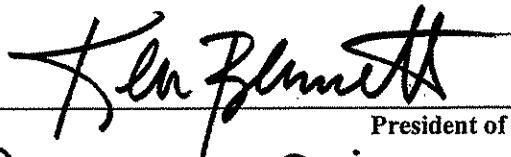


Chief Clerk of the House

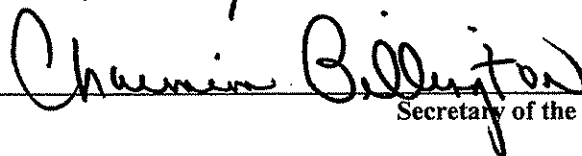
Passed the Senate February 6, 20 06,

by the following vote: 24 Ayes,

3 Nays, 3 Not Voting



President of the Senate



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

S.B. 1151

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House May 9, 2006,
by the following vote: 32 Ayes,

22 Nays, 6 Not Voting

[Signature]
Speaker of the House
Pro Tempore
[Signature]
Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate May 2, 2006,
by the following vote: 20 Ayes,

8 Nays, 2 Not Voting

[Signature]
President of the Senate
[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 10th day of May, 2006

at 2:23 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ clock _____ M.

VETO

Governor of Arizona

S.B. 1151

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 16th day of May, 2006,

at 2:59 o'clock P. M.

[Signature]
Secretary of State